



*Utah*  
*2007*

**Composite Return  
for Nonresident  
Professional  
Team Members**

**Form TC-65PA**  
**Tax Return and Instructions**

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134  
[www.tax.utah.gov](http://www.tax.utah.gov)

# Contents

Instructions for TC-65PA.....	1
Who May File This Return.....	1
Name or Address Changes.....	1
Rounding off to Whole Dollar Amounts .....	1
Where To File .....	1
Due Date .....	1
Filing Extension.....	1
Penalties .....	1
Interest (in addition to penalties due).....	1
Amended Returns.....	2
Federal Form 8886.....	2
Signature.....	2
Paid Preparer Authorization .....	2
Payment Options.....	2
Tax Due on Composite Return.....	3
Penalty and Interest .....	3
Payment Agreement Request .....	3
Recordkeeping Requirements.....	3
Liability for Tax.....	3
Definitions .....	3

## Online Services



Visit our website for detailed tax information and all Utah State tax forms/instructions.

**tax.utah.gov**

Pay tax due and make payments online with a credit card or e-check.

**paymentexpress.utah.gov**



## References

UC: Utah Code

### Need forms?

Print online at **tax.utah.gov/forms**,  
or call (801) 297-6700 or  
1-800-662-4335, ext. 6700

*If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-2020. Please allow three working days for a response.*

# Instructions for TC-65PA

## Who May File This Return

Professional athletic teams may file this return only on behalf of nonresident team members that meet all of the following conditions.

1. Utah **nonresident** team members included on the return may not have income from Utah sources other than team compensation. Utah **resident** team members may not be included on a composite return.
2. Utah nonresident team members entitled to any Utah credits, may not be included in a composite filing, but must individually file form TC-40, Utah Individual Income Tax Return.
3. Participating team members acknowledge through their election to be included in a composite return that the composite return constitutes an irrevocable filing and they may not file an individual income tax return in Utah for the same year.

## Name or Address Changes

Changes (e.g. name change, physical or mailing address changes, or ceasing to do business in Utah) must be reported in writing to:

Master File Maintenance  
Utah State Tax Commission  
210 N 1950 W  
SLC, UT 84134-3310

## Rounding off to Whole Dollar Amounts

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

## Where To File

Send your return, along with any payment, to:

Utah State Tax Commission  
210 N 1950 W  
SLC, UT 84134-0270

## Due Date

A return must be filed on or before the 15th day of the fourth month following the close of the team's taxable year. If the due date falls on a Saturday, Sunday or legal holiday, the due date becomes the next business day.

## Filing Extension

Taxpayers are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is an extension of time to file the return – NOT an extension of time to pay taxes.** To avoid penalty and interest, the prepayment requirements must be met on or before the original return due date and the return must be filed within the six-month extension period.

## Extension Prepayments

The required extension prepayment must equal:

- 90 percent of the current year's tax liability, or
- 100 percent of the previous year's tax liability.

Extension prepayments are made using form TC-544.

## Penalties

Utah law provides penalties for failure to file tax returns, failure to pay tax due, and failure to file information returns or supporting schedules.

The penalty for **failure to file a tax due return** by the due date is the greater of \$20 or 10 percent of the unpaid tax.

The penalty for **failure to pay tax due** as reported on a timely filed return, or within 30 days of a notice of deficiency, is \$20 or 10 percent of the unpaid tax, whichever is greater. If a tax balance is still unpaid 90 days after the due date on a late filed return, a second penalty of \$20 or 10 percent of the unpaid tax, whichever is greater, will be added for failure to pay timely.

The penalty for **underpayment of an extension prepayment** is 2 percent per month of the unpaid tax during the extension period. If the return is not filed by the extension due date, failure to file and failure to pay penalties will apply, as if the extension had not been granted.

The penalty for **failure to file an information return** or a complete supporting schedule is \$50 for each return or schedule up to a maximum of \$1,000.

For a list of additional penalties that may be imposed, see UC §59-1-401 and Pub 58.

## Interest (in addition to penalties due)

Interest will be assessed at the rate prescribed by law from the original due date until any outstanding liability is paid in full. The interest rate for most taxes and fees administered by the Tax Commission for the 2008 calendar year is **7 percent**.

Pub 58, which contains applicable interest rates, is available on the Internet at [tax.utah.gov/forms](http://tax.utah.gov/forms) or by calling or writing the Tax Commission.

## Amended Returns

To amend a previously filed return, use the tax form and instructions for the year you are amending. You can obtain prior year forms and instructions at [tax.utah.gov/forms](http://tax.utah.gov/forms).

### *An amended return should be filed promptly if:*

- An error is discovered on your Utah or federal return after it has been filed; or
- Your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

To amend a previously filed return, enter on page 1 of the Utah return in the box titled "For Amended Return" a code number that best corresponds to your REASON FOR AMENDING. See codes below.

## Reason-for-Amending Codes

- 1 You filed an amended return with the IRS (attach a copy of your amended federal return).
- 2 You made an error on your Utah return (attach an explanation of the adjustment made).
- 3 Federal audit adjustments, which resulted in changes in federal taxable income, were issued and became final (attach a copy of the IRS adjustment).
- 4 Other (attach explanation to return).

Complete the return, entering the figures as corrected. Enter all other amounts as shown on your original return. If you received a refund on your original Utah return, enter the amount of the refund on line 6 of the 2007 amended return. If you paid tax with the original return or made subsequent payments of the tax prior to filing the amended return, include the total previous payments on line 8 of the 2007 amended return.

Do not submit a copy of your original return with the amended return.

## Federal Form 8886

If you filed federal Form 8886, Reportable Transaction Disclosure Statement, with the Internal Revenue Service, enter an "X" in the box at the top of your TC-65PA, as indicated.

## Signature

The return must be signed by an individual authorized to sign for the team.

## Paid Preparer Authorization

If the professional team wants to allow the Tax Commission to discuss their 2007 return with the paid preparer who signed it, enter an "X" in the box on the right side of the signature area of the return where indicated. This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section. If you enter an "X" in the box, the professional

team is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- Give the Tax Commission any information that is missing from the return,
- Call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- Respond to certain Tax Commission notices about math errors, offsets, and return preparation.

The professional team is not authorizing the preparer to receive any refund, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. If the entity wants to expand the preparer's authorization, complete and submit to the Tax Commission form TC-737, Power of Attorney and Declaration of Representative. Form TC-737 is available on our website at [tax.utah.gov/forms](http://tax.utah.gov/forms).

The authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2008 tax return. If you wish to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

## Paid Preparer

The paid preparer must enter his or her name, address, and social security number or PTIN in the section below the authorized representative's signature on the return.

## Preparer Penalties

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalties (second degree felony with a fine from \$1,500 to \$25,000). See Utah Code Sections 59-1-401(9) and (10) for specific details.

## Payment Options

You may pay any tax online with a credit card or an electronic check (ACH debit) from your checking account. You may pay in full or make partial payments throughout the year. Each online payment is subject to a service fee.

To pay online, access PaymentExpress ([paymentexpress.utah.gov](http://paymentexpress.utah.gov)) and follow the step-by-step instructions.

You may also mail your check or money order payable to the Utah State Tax Commission with your return. Be sure to write the team EIN, daytime telephone number and "2007 TC-65PA" on your check. **DO NOT STAPLE check to return.** Remove the check stub before sending. **DO NOT MAIL CASH with your return.** The Tax Commission assumes no liability for loss of cash placed in the mail.



Mail your return, and payment if applicable, to the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0270. If mailing your payment separate from your return include form TC-544, but do **NOT** send another copy of your tax return with your payment. Doing so may delay posting of your payment.

**ALLOW AT LEAST 90 DAYS FOR YOUR RETURN TO BE PROCESSED.**

## Tax Due on Composite Return

If you owe tax on a composite return, the payment may be sent electronically or paid by check. See *Payment Options* above.

## Penalty and Interest

Penalty and interest, if applicable, will be billed. Penalty and interest charges are explained in the *Penalties and Interest* instructions on page 1.

## Payment Agreement Request

If you owe tax and are unable to pay all or a portion of the amount owed, you may request a payment agreement by completing form TC-804B, Payment Agreement Request. The form can be obtained at [tax.utah.gov/forms](http://tax.utah.gov/forms). If approved, you will receive a letter confirming the acceptance of your request.

A payment agreement does not stop the accrual of penalty and interest. If you do not pay in full by the return due date, whether or not you request a payment agreement, any balance due will be subject to penalty and interest.

If you do not submit a payment agreement request form, a billing notice for the full amount due, including penalty and interest, will be mailed to you. Upon receiving this notice, you must pay the total amount due, or request a formal payment agreement by completing and mailing form TC-804B or calling (801) 297-7703 or 1-800-662-4335 ext. 7703.

Payments may be submitted prior to approval of the payment agreement request or billing notice, per the instructions above.

## Recordkeeping Requirements

Professional athletic teams filing on behalf of non-resident team members shall keep adequate records to substantiate their reporting or to permit a determination by the Tax Commission of the team members' team compensation that was derived from or connected with sources in this state.

## Liability for Tax

Nonresident team members are subject to Utah income tax for the total compensation received from a professional athletic team for services performed for the team in Utah. This calculation is made by multiplying the team member's total team compensation by a fraction:

- the numerator of which is the number of duty days spent by the team member in Utah, and
- the denominator of which is the total number of duty days spent by the team member both within and outside Utah.

## Definitions

1. Professional athletic team includes any professional baseball, basketball, football, soccer or hockey team.
2. Team member includes those employees who are active players, players on the disabled list, and any other persons required to travel and who do travel with and perform services on behalf of a professional athletic team on a regular basis. This includes coaches, managers and trainers.
3. Duty days means all days during the taxable year from the beginning of the professional athletic team's official preseason training period through the last game in which the team competes or is scheduled to compete.
  - a. Duty days shall also include days on which a member of a professional athletic team renders a service for a team on a date that does not fall within the period described in 3. For example, participation in instructional leagues, the Pro Bowl or other promotional caravans. Rendering a service includes conducting training and rehabilitation activities, if conducted at the facilities of the team.
  - b. Included within duty days shall be game days, practice days, days spent at team meetings, promotional caravans, and preseason training camps, and days served with the team through all postseason games in which the team competes or is scheduled to compete.
  - c. Duty days for any person who joins a team during the season shall begin on the day that person joins the team, and for a person who leaves a team shall end on the day that person leaves the team. If a person switches teams during a taxable year, a separate duty day calculation shall be made for the period that person was with each team.
  - d. Days for which a team member is not compensated and is not rendering services for the team in any manner, including days when the team member has been suspended without pay and prohibited from performing any services for the team, shall not be treated as duty days.
  - e. Days for which a team member is on the disabled list shall be presumed not to be duty days spent in the state. They shall, however, be included in total duty days spent within and outside the state.
  - f. Travel days that do not involve either a game, practice, team meeting, promotional caravan or other similar team event are not considered duty days spent in the state. They shall, however, be included in total duty days spent within and outside the state.

4. Total compensation received from a professional athletic team means the total compensation received during the taxable year for services rendered:
  - a. from the beginning of the official preseason training period through the last game in which the team competes or is scheduled to compete during that taxable year; and
  - b. during the taxable year on a date that does not fall within the period in 4a, such as participation in instructional leagues, the Pro Bowl, or promotional caravans.
5. Total compensation includes salaries, wages, bonuses and any other type of compensation paid during the taxable year to a team member for services performed in that year.
  - a. Total compensation shall not include strike benefits, severance pay, termination pay, contract or option-year buyout payments, expansion or relocation payments, or any other payments not related to services rendered to the team.
- b. Bonuses subject to the compensation calculation are:
  - 1) bonuses earned as a result of play during the season, including performance bonuses, bonuses paid for championship, playoff or bowl games played by a team, or for selection to an all-star league or other honorary positions; and
  - 2) bonuses paid for signing a contract, unless all of the following conditions are met:
    - a. the payment of the signing bonus is not conditional upon the signer playing any games for the team, or performing any subsequent services for the team, or even making the team;
    - b. the signing bonus is payable separately from the salary and any other compensation; and
    - c. the signing bonus is nonrefundable.

65PA071

# Utah Composite Return for Nonresident Professional Team Members

**2007****TC-65PA**

Rev. 12/07

For the year ending Dec. 31, 2007, or fiscal taxable year beginning \_\_\_\_\_ and ending \_\_\_\_\_.

9999

- ☐ **FOR AMENDED RETURN - ENTER CODE (1 - 4) from page 2**
- ☐ **Enter "X" if you filed federal form 8886**

Check box(es) if this is a new address:  <input type="checkbox"/> Physical address  <input type="checkbox"/> Mailing address	Team name			Team Employer Identification Number
	Team address			Telephone number
	City	State	ZIP Code	Foreign country, if not U.S.

- |  |    |              |     |
|--|----|--------------|-----|
| 1. Utah income attributable to nonresident team members included in composite filing (from form TC-65PA Schedule N) .....  | 1  |              | .00 |
| 2. Deduction amount — 15 percent (multiply line 1 by .15) .....  | 2  |              | .00 |
| 3. Utah taxable income attributable to nonresident team members included in composite filing (line 1 less line 2) .....  | 3  |              | .00 |
| 4. Tax rate .....  | 4  | <b>.0698</b> |     |
| 5. Tax (line 3 multiplied by line 4) .....   | 5  |              | .00 |
| 6. Amended returns only — refund received on original return .....   | 6  |              | .00 |
| 7. Total (add lines 5 and 6) .....   | 7  |              | .00 |
| 8. Taxes prepaid (this includes extension prepayments and voluntary tax prepayments). If this an amended return, also include payments made on original return. .... | 8  |              | .00 |
| 9. <b>Tax Due</b> (if line 7 is greater than line 8, subtract line 8 from line 7) .....  | 9  |              | .00 |
| 10. <b>Refund</b> (if line 8 is greater than line 7, subtract line 7 from line 8) .....  | 10 |              | .00 |

**Official Use Only**

Under penalties of perjury, I declare to the best of my knowledge, this return and accompanying schedules are true, correct and complete.

Signature of authorized representative

Date

☐ Enter "X" if the Tax Commission may discuss this return with the preparer shown below (see page 2)

<b>Paid Preparer's Section</b>	Paid preparer's signature	Date	Preparer's SSN/PTIN	
	Firm's name (or yours if self-employed)	Telephone number	Employer identification number	
	Paid preparer's complete address	City	State	ZIP Code

File return with the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0270, telephone (801) 297-2200 or 1-800-662-4335.

TC-65PAN  
Rev. 12/07

Duplicate this form if additional sheets are necessary